

Message Text

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ACTION EB-08

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SUBJECT: CUBAN SHIP PURCHASES AND PORT IMPROVEMENT

1. USINT OFFICER (GLASSMAN), OCTOBER 21, CALLED ON REYNALDO LUIS CABRERA, DIRECTOR OF MARPORT, EXCLUSIVE CUBAN PURCHASER OF SHIPS (OTHER THAN MILITARY AND FISHING VESSELS) AND PORT EQUIPMENT,. CABRERA WAS ACCOMPANIED BY GEORGINA ALFALLA OF MINCEX.

2. CABRERA STATED THAT, DUE TO THE PORT CONGESTION PROBLEM, CUBA IS ENGAGED IN AN EXTENSIVE MODERNIZATION OF ITS PORT FACILITIES. FIRST PHASE OF MODERNIZATION EFFORT INVOLVES IMPROVEMENT OF INFRASTRUCTURE - ROADS, RAILROAD ACCESS, DOCK AND WAREHOUSE REPAIR AND UPGRADING. SECOND PHASE OF EFFORT, WHICH WILL REQUIRE FOREIGN PURCHASE OF ADDITIONAL DOCK AND FLOATING CRANES, MECHANIZED UNLOADING DEVICES, CONTAINER RECEIPT FACILITIES, PORT TRANSPORTATION EQUIPMENT, FORK LIFTS, AND SO FORTH, WILL BEGIN WITHIN CURRENT FIVE YEAR PLAN. PACE OF IMPLEMENTATION, HOWEVER, DEPENDS ON CUBAN GOVERNMENT DECISIONS AND AVAILABILITY OF FINANCES. (COMMENT: CABRERA IMPLIED THAT PORT UPGRADING EFFORT WOULD BE DELAYED AS RESULT OF BOTH HARD CURRENCY SQUEEZE AND LIMITATIONS ON POSSIBLE PURCHASES FROM COMECON STATES.)

3. WITH REGARD TO SHIP CONSTRUCTION, CABRERA SAID CUBAN GOVERN-
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MENT HAD NOT YET MADE DECISIONS ON PURCHASES FOR 1978. HE SAID THAT IN 1977, DUE TO FINANCIAL PROBLEMS, CUBA HAD NOT ORDERED ANY MAJOR SHIPS, BUT ONLY SOME DREDGES, TUGS AND RESEARCH VESSELS (PRIMARILY IN SPAIN, ARGENTINA AND CANADA). LOOKING TOWARD FUTURE, CABRERA SAID THAT, IN HIS PERSONAL OPINION, CUBA WOULD NOT BE IN MARKET FOR LARGE TANKERS SINCE CUBANS EXPECTED, OVER LONG TERM, TO CONTINUE TO RELY ON USSR FOR PETROLEUM TRANSPORT. HE SAID THAT

CUBA MIGHT BUY SMALL OR MEDIUM TANKERS FOR SUPPLYING FISHING FLEET AND FOR COASTAL TRAFFIC.

4. CABRERA SAID THAT CUBA WOULD PROBABLY NOT EXPAND ITS CONTAINER FLEET (CURRENTLY TWO SHIPS), BUT WOULD BE LOOKING FOR ROLL-ON, ROLL-OFF VESSELS DUE TO GROWING CUBAN TRADE IN CARIBBEAN AND WITH CENTRAL AMERICA. CABRERA ALSO PREDICTED CONTINUED CUBAN PURCHASE OF GENERAL CARGO SHIPS.

5. ALLUDING TO POSSIBILITY OF FUTURE TRADE WITH US, CABRERA SAID THAT, IF EMBARGO LIFTED, CUBANS WOULD EXPECT TO LOWER THEIR PURCHASES OF LARGE SHIPS AS WELL AS THEIR TONNAGE IN BEING. HE SAID THAT CURRENTLY CUBAN VESSELS MAKE ONE ROUND TRIP TO LONDON PER MONTH. CABRERA SAID THAT HE COULD ENVISAGE SMALLER CUBAN SHIPS MAKING TWO OR THREE ROUND TRIPS TO MIAMI EACH WEEK. HE PREDICTED THAT, SHOULD EMBARGO BE LIFTED, CUBANS WOULD BEGIN BUYING SMALL VESSELS SUCH AS LARGE BARGES AND RAILROAD FERRIES. HE SAID THAT CURRENT MIAMI TO PUERTO RICO TRANSPORT ARRANGEMENTS MIGHT SERVE AS POSSIBLE MODEL. CONSTRUCTION AND OPERATIONS OF SMALL VESSELS, HE SAID, WOULD SAVE CONSIDERABLE CONSTRUCTION AND FUEL COSTS.

6. CABRERA ADDED THAT SHIFT TO SMALLER SHIPS AND RAPID TURN-AROUND WOULD PROVIDE IMPORTANT BENEFITS TO CUBANS IN PORT AREA. BECAUSE OF REDUCED SIZE, DREDGING REQUIREMENTS WOULD BE LOWERED AS WOULD UNLOADING REQUIREMENTS IN PORT. CABRERA CLAIMED THAT IF IT CURRENTLY TAKES ONE WEEK TO UNLOAD 15 THOUSAND TON VESSEL LIMITED OFFICIAL USE

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IN HAVANA, CUBANS COULD UNLOAD TEN FIVE THOUSAND TON BOATS IN SAME PERIOD OF TIME. CABRERA SAID THAT CUBAN PORTS HAD BEEN CONSTRUCTED TO HANDLE SMALLER CARGOES WHICH COULD RAPIDLY ENTER INTO RAILROAD AND ROAD NETWORK, AND REQUIRE LESS WAREHOUSING AND MOVING (AND TRANSPORTATION EQUIPMENT) WITHIN PORT AREA. CABRERA ADDED THAT IT IS DIFFICULT TO QUANTIFY EXACT SAVINGS RESULTING FROM SHIFT TO SMALLER CARGOES, BUT IT WOULD BE SIGNIFICANT AND WOULD AFFECT NATURE AND DIRECTION OF CURRENT CUBAN PORT MODERNIZATION EFFORT (I.E., RAILROAD LINES AND CONTAINER OFFLOADING FACILITIES WOULD BE INCREASED, WHILE CONSTRUCTION OF WAREHOUSES, PURCHASES OF HEAVY PORT EQUIPMENT, INCLUDING LIFTING AND TOWING DEVICES, AND DREDGES, WOULD BE REDUCED).

7. FYI BOHEMIA, OCTOBER 21, CONTAINS ARTICLE ON CUBAN-SOVIET COOPERATION IN EASING SITUATION IN CROWDED CUBAN PORTS. ARTICLE ONLY GIVES PASSING ATTENTION TO PORT MODERNIZATION, BUT DISCUSSES CUBAN-SOVIET EFFORTS TO PROGRAM ARRIVAL OF SOVIET SHIPS IN ORDER TO UTILIZE MORE RATIONALLY SPECIALIZED UNLOADING FACILITIES (CONTAINERS, BULK FERTILIZER) AND TO CUT DOWN ON DELAYS IN ENTERING PORT. END FYI. UNDP ALSO CURRENTLY HAS PROGRAM HERE TO ASSIST CUBANS IN COMPUTERIZING MANAGEMENT OF PORT FACILITIES. LANE

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